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### SIPDIS

DEPT FOR EAP/K, EAP/PD, INR/EAP/K AND INR/IL/P TREASURY FOR OASIA/WINGLE USDOC FOR 4430/IEP/OPB/EAP/WGOLICKE STATE PASS USDA ELECTRONICALLY FOR FAS/ITP STATE PASS DOL/ILAB SUDHA HALEY STATE PASS USTR FOR IVES/WEISEL

E.O. 12958: N/A

TAGS: KPAO PGOV PREL MARR ECON KS US

SUBJECT: PRESS BULLETIN - February 24, 2009

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## Top Headlines

Chosun Ilbo WTO Collapsing; Countries around the World Raising Trade Barriers by Providing "State Subsidies"

JoongAng Ilbo Federation of Korean Trade Unions Agrees on "Wage Freeze and Pay Reduction"

Dong-a Ilbo "Fears of Yen Appreciation;" Won-Yen Exchange Rate Hits a Record High of 1,600 Won Per 100 Yen

Hankook Ilbo, Segye Ilbo, Seoul Shinmun Labor, Management, Civic Groups and the Government Agree on Compromise to "Overcome Economic Crisis"

Hankyoreh Shinmun Judges Met to "Protest" as Most Cases Related to "Candlelight Rallies" against U.S. Beef Imports were Allotted to Certain Chief Justice

# Domestic Developments

11. According to the ROK's 2008 Defense White Paper published yesterday, North Korea in 2007 deployed ballistic missiles with a range of more than 3,000 -- km capable of reaching Guam, a key U.S.

strategic base -- and has increased the number of special forces from 120,000 to 180,000. The North is also reportedly deploying new short-range surface-to-surface KN-02 missiles with a range of 160 km. (All)

- 12. A military official explained that the number of lightly-equipped DPRK special forces seems to have been increased so that they might be deployed at a quicker pace, and from all directions in order to overwhelm the ROK military with guerrilla strategies during the initial stages of any war. (Hankook)
- 13. It has been learned, meanwhile, that North Korean leader Kim Jong-il recently inspected the area of North Hamgyeong Province, where the North's long-range missile base is located, for three consecutive days. The visit is fueling speculation that he might be personally encouraging the test-launch of a long-range Taepodong-2 missile. (Chosun)
- 14. Former U.S. Defense Secretary William Perry, in a Feb. 23 forum in Seoul to mark the Lee Myung-bak Administration's first anniversary in office, stressed the need to make it clear what price North Korea would pay if it develops nuclear weapons. (JoongAng)

## Media Analysis

### North Korea

The ROK media gave wide attention to the Defense Ministry's 2008 White Paper published yesterday. Most of the media cited the document as observing that North Korea in 2007 deployed ballistic missiles with a range of more than 3,000 km -- capable of reaching Guam, a key U.S. strategic base -- and has increased the number of DPRK special forces from 120,000 to 180,000. The White paper purportedly also claims that the North may have produced about 40 kilograms of plutonium, which experts say is enough to build about six to seven nuclear weapons. Moderate Hankook Ilbo quoted a military official as commenting that the number of lightly-equipped DPRK special forces seems to have been increased so that they might be deployed at a quicker pace, and from all directions in order to overwhelm the ROK military with guerrilla strategies during the initial stages of any war.

Conservative Chosun Ilbo reported that North Korean leader Kim Jong-il recently inspected the area of North Hamgyeong Province, where the North's long-range missile base is located, for three consecutive days. Chosun went on to say that this development is fueling speculation that he might be personally encouraging the test-launch of a long-range Taepodong-2 missile.

Right-of-center JoongAng Ilbo carried a quote from former Defense Secretary William Perry, who said in a Feb. 23 forum in Seoul to mark the Lee Myung-bak Administration's first anniversary in office: "It should be made clear what price North Korea would pay if it develops nuclear weapons."

## Opinions/Editorials

'Hillary's Kiss' and the Korean Peninsula (Hankook Ilbo, February 24, 2009, Page 38)

U.S. Secretary of State Hillary Clinton wrapped up her overseas tour by completing her visit to China. She chose Asia over Europe as her itinerary, chiefly because the U.S. intends to expand strategic cooperation with China. Therefore, the outcome of her visit may be evaluated based on Sino-U.S. relations.

On her journey to Asia, Clinton said that she chose Asia as her fist overseas trip in order to deliver a message from the Obama Administration. U.S. experts reckoned that she would convey a message that the U.S. would put the highest importance on trust and cooperation with Korea, China and Japan to get over the global economic woes and stabilize the international situation. At a seminar hosted by the Brookings Institution just before Clinton's visit, experts recommend her to give a message that the U.S. top priority is to push for dialogue and cooperation with China.

A commentator said that in the past the U.S went to China 'to teach'

but now 'to kiss'. Clinton delivered sweet kisses to China, saying that the world economic crisis cannot be overcome without any help from China. As a quid pro quo, China announced additional purchase of U.S. Treasury bonds the U.S. economy has been eagerly waiting for

Regarding the Korean Peninsula, the experts at the Brookings Institution seminar viewed that she would make clear that U.S. policy on East Asia stems from alliance. Unlike the past when the U.S. allowed the North to attempt to have direct talks with the U.S. while bypassing the ROK, this time her message to Seoul and Pyongyang would be that the U.S. would not tolerate the North's bid to alienate the ROK. A change in the U.S.'s North Korea policy was evident when Clinton commented on the North's sensitive succession issue and leadership crisis, while holding the North responsible for straining inter-Korean relations and heightening tension.

The ROK should grasp her 'alliance-first' message.

Many experts in Korea held the view that when Obama professed his support for 'tough and direct diplomacy,' the North would attempt to hold direct talks with the U.S while alienating the ROK. This concern raised by some people may be genuine but it mostly derives from their displeasure with the incumbent ROK government. These experts would be better off reviewing the key principles of the North Korean issue rather than blaming U.S policy.

#### Features

NK Raised Number of Special Forces by 60,000: Report (Dong-a Ilbo, February 24, 2009, Page 6)

By Reporter Yoon Sang-ho

North Korea is known to have increased the number of its special forces by 60,000 and deployed a new type of medium-range ballistic missile capable of reaching northern Australia and Guam.

The Defense Ministry in Seoul released its latest assessment of its communist neighbor to the north yesterday.

The report comes amid speculation that Pyongyang is trying to overcome its military weakness highlighted by the joint South Korea-U.S. military exercises and maximize (the effectiveness of) its attack on the South in time of war.

According to the report, the North has increased its special forces by 60,000 to infiltrate the South and reinforced its light infantry battalions to regiment level.

Thus, the number of North Korea's lightly-equipped special troops that are focused on swift infiltration to strike U.S. and South Korean forces has increased to 180,000, the report said.

"The North is focusing on the warfighting capacity of its special forces trained for night, mountain and street fighting. The move shows that, according to its war strategy, the North is prepared for a variety of attacks on the South. In case of war, North Korea apparently plans simultaneous and multi-faceted attacks after infiltrating the South using underground tunnels," it said.

A ministry source said, "After examining the wars in Iraq and Afghanistan, North Korea appears to have developed new strategies to complement its shortfalls while reinforcing its strengths."

"It appears that the aim of the North is to blur the line between friend and foe once a conflict erupts and nullify the advanced warfare capacity of the joint Korea-U.S. forces by engaging in guerrilla warfare."

The North in 2007 also completed the deployment of brand-new ballistic missiles with a range of 3,000 kilometers. The missile is believed to be modeled after the Soviet-era SS-N-6, a submarine-launched ballistic missile, and is capable of reaching Guam and much of Russia and India.

Pyongyang has developed and test fired surface-to-surface and ship-to-ship missiles capable of reaching 160 kilometers in the Yellow Sea.

The North is also said to have drastically reinforced its conventional military weapons.

The number of tanks is estimated to have been increased to 3,900 units, up from 3,700 in 2006; the number of multi-stage rockets (is estimated to have been increased) to 5,100 units from 4,800, and the number of guided missiles (is estimated to have been increased) to 100 from 80 over the same period.

Twenty fighter jets were added to raise the number to 840, 40 percent of which have been deployed to warfront areas such as Pyongyang and Wonsan.

The North Korean navy has also retrofitted a new warship and 10 submarines, and has also developed new types of surface-to-ship and sea-to-surface missiles and torpedoes.

The North has also completed the integration of its naval command through an advanced electronic network, the report said, while strengthening its capabilities in cyber warfare.

On the North's nuclear capacity, the biennial policy report said the North has secured about 40 kilograms of plutonium and conducted a nuclear test in Oct. 2006.

The report is said to have omitted the assumption that Pyongyang manufactured one or two nuclear weapons in order to avoid the controversy of recognizing the North as a nuclear power.

\* This is a translation provided by the newspaper, and it is identical to the Korean version.

Money Is the Biggest Problem; WEST Participants Should Pay a Lump Sum of \$8,500 (Dong-a Ilbo, February 24, 2009, Page 3)

By Reporter Hwang Kyu-in

Most participants took out a bank loan to pay the fee.

Participants say, "The selection schedule should be fixed, and we hope to take units of credit from the program."

The biggest problem was money after all.

Students participating in the Work, English Study and Travel (WEST) Program paid a lump sum of 8,300 to 8,500 dollars (about 12 million won) for language courses by February 19.

Although students from low-income families can get a scholarship, which covers 75 percent of the participation fee, there is no financial assistance for other students. Some universities offered financial help, but only a few.

Most of the participants said, "My parents took out a bank loan to pay the fee." They confessed that although they did not want to be a burden on their families, it was not easy for them to cancel their plans.

One student, who gave up going to the U.S. due to financial burden, noted, "They say that they offer WEST participants a better exchange rate for dollars, but these days, most commercial banks provide that service," adding with a sigh, "If I had been allowed to pay the fee in installments, I would have been able to go to the U.S."

As of now, the Ministry of Foreign Affairs and Trade is overhauling related laws in order to expand scholarships for low-income families and to make student loans available from next time. The first batch of participants argues that "If the system is overhauled, that overhaul should apply to us retroactively."

Participants were also confused because the participant selection schedule was not fixed but continuously changed. When the result of

the document screening was not announced at the originally scheduled date in early January and continued to be delayed, many participants thought that they failed and gave up their plans.

One applicant, who was automatically eliminated since he was abroad at the time of interview, said, "It effectively means that if we apply for the WEST program, we should not do other things."

The interview schedule was postponed several times, and information on sponsors, which arrange language institutes and jobs for participants, also changed frequently.

Many observers pointed out that government officials in charge of the WEST program failed to respond swiftly to questions from applicants, which should be corrected.

Participants said, "Since we paid high fees, we expected high-quality service, but it is true that the program falls short of our expectations."

They added, "At first, since the schedule was not fixed, we were very concerned, but now the program seems to be taking root. We hope that the organizer will pay more attention to establishing communication channels with participants."

Besides this, observers said that participants need to be allowed to take units of credit from the program and to receive additional points when applying for a job after returning home.

Stephens

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